STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION FILE NO.: 10 CVS 14871

WAKE COUNTY

THE NORTH CAROLINA STATE BAR,

Petitioner

v.

ORDER CONTINUING TEMPORARY RESTRAINING ORDER

SYBIL H. BARRETT, Attorney,

Respondent

THE MATTER of the State Bar's Petition for Preliminary Injunction came on for hearing before the undersigned Judge of Superior Court of Wake County pursuant to that Order Continuing Temporary Restraining Order entered on 27 September 2010 by the Honorable Paul G. Gessner. Petitioner, the North Carolina State Bar was represented by Leanor Bailey Hodge. Respondent, Sybil H. Barrett, has not yet been served with the summons and complaint in accordance with the requirements of N.C. Gen. Stat. § 1A-1, Rule 4. Respondent was not present in court. Based upon the evidence submitted by Petitioner, the Court makes the following:

FINDINGS OF FACT

- 1. Petitioner has continued its investigation of Ms. Barrett's handling of entrusted client funds.
- 2. The preliminary results of the State Bar's investigation continue to show that Barrett mishandled entrusted funds in violation of Rule 1.15-2 of the Rules Professional Conduct.
- 3. By letter dated 2 September 2010, Respondent informed Petitioner of her refusal to cooperate with Petitioner's efforts to obtain her trust account records.
- 4. The same need for prompt action that existed when the Temporary Restraining Order was granted continues to exist as of this date and there is a continuing need to ensure that any additional client funds entrusted to Barrett are not mishandled to the client's detriment.
- 5. The original summons issued in this case was returned by the Mecklenburg County Sherriff as not served. Additional time is needed to serve Respondent with the summons and complaint.

- 6. An alias and pluries summons was issued on 21 September 2010. The alias and pluries summons has not yet expired nor has it been returned by the Mecklenburg County Sherriff's Office.
- 7. Good cause exists to extend the Temporary Restraining Order entered in this matter on 2 September 2010 and continued on 13 September 2010 and 27 September 2010.

Based upon the foregoing findings, the Court makes the following:

CONCLUSIONS OF LAW

- 1. Prompt action, pursuant to N.C. Gen. Stat. § 84-28(f), is necessary to preserve the status quo while the State Bar conducts an analysis of Barrett's trust and operating accounts and to ensure that no client funds are mishandled.
- 2. Barrett should be enjoined from accepting any further funds from or on behalf of clients or other individuals in a fiduciary capacity, from withdrawing funds from and/or writing checks against any account in which client or fiduciary funds have been deposited, and from directing any employee or agent to withdraw funds from and/or draw a check on any account in which client or fiduciary funds have been deposited, except as expressly authorized by this order.
- 3. To assist the State Bar's analysis of her trust and operating accounts, Barrett should provide the State Bar with records of all accounts in which client or fiduciary funds have been deposited.
- 4. Barrett should not be permitted to serve in any fiduciary capacity, including trustee, escrow agent, settlement agent, personal representative, executor or attorney-in-fact until further order of this Court.

THEREFORE, IT IS HEREBY ORDERED:

1. That the Temporary Restraining Order entered on 2 September 2010 at 3:38 p.m. enjoining Sybil H. Barrett from serving in any fiduciary capacity, including trustee, escrow agent, settlement agent, personal representative, executor or attorney-infact; receiving any funds from or on behalf of clients or other individuals in a fiduciary capacity; writing checks against or otherwise disbursing or withdrawing funds from any account in which client or fiduciary funds have been deposited; and/or directing or permitting any employee or agent to draw a check on or otherwise disburse or withdraw funds from any account in which client or fiduciary funds have been deposited is hereby continued.

- 2. This matter is scheduled for a hearing on the State Bar's Petition for a Preliminary Injunction on the limited day of October. 2010 at 10 A.M in the Wake County Courthouse, Courtroom 10-B in Raleigh, North Carolina.
- 3. The Temporary Restraining Order entered in this matter on 2 September 2010 at 3:38 p.m. shall remain in effect until the day of <u>October</u>, 2010 unless extended by further orders of this Court.

THIS the 4th day of October, 2010.

Wake County Superior Court Judge